NATIONAL DAIRY
PRODUCTS CORPORATION

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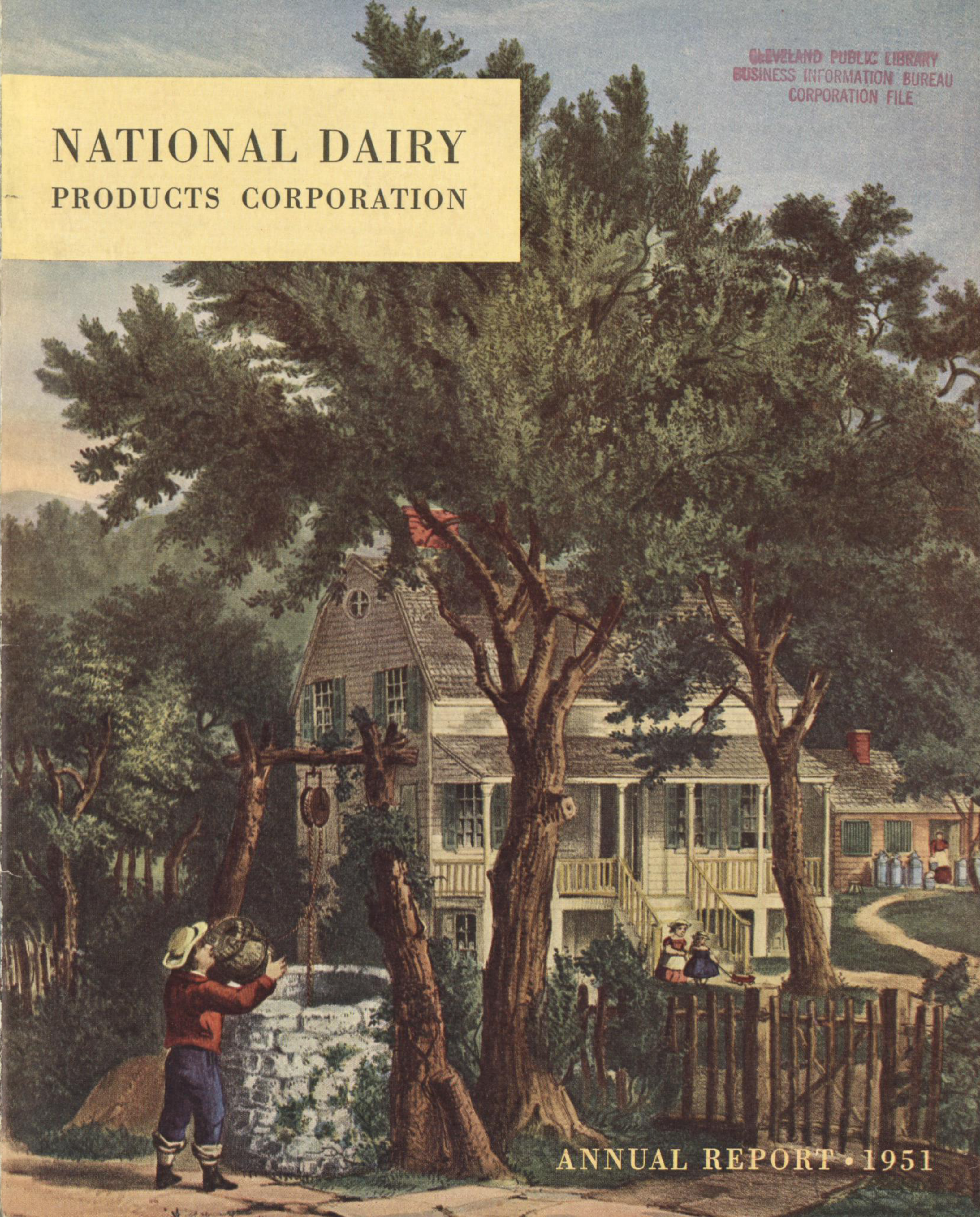
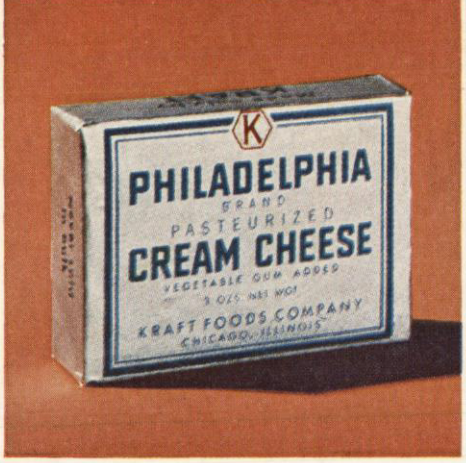


ANNUAL REPORT • 1951

Sealtest
PASTEURIZED VITAMIN D HOMOGENIZED MILK
Sealtest
PASTEURIZED VITAMIN D HOMOGENIZED MILK

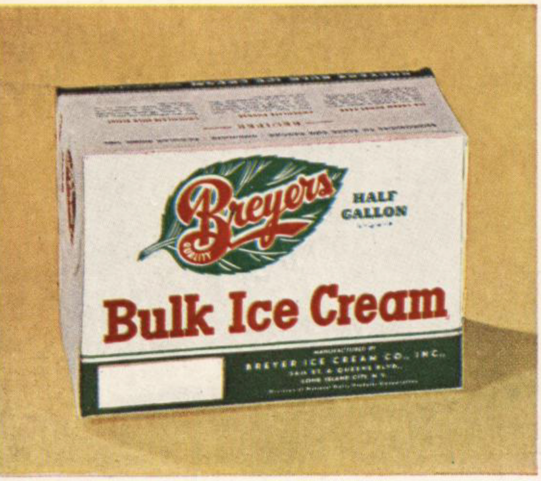

K
PHILADELPHIA
BRAND
PASTEURIZED
CREAM CHEESE
VEGETABLE GUM ADDED
3 OZS NET WGT
KRAFT FOODS COMPANY
CHICAGO, ILLINOIS

Sealtest ICE CREAM
VANILLA
Sealtest ICE CREAM
STRAWBERRY
Sealtest ICE CREAM
CHOCOLATE

made by KRAFT
PARKAY
OLEOMARGARINE
COLOR-KWIK BAG
PARKAY
made by KRAFT
VEGETABLE OLEOMARGARINE

CASINO
SWISS
A KRAFT PRODUCT

Sealtest
Sealtest
PASTEURIZED CHOCOLATE MILK
Sealtest


Breyers
QUALITY
HALF GALLON
Bulk Ice Cream
BREYER ICE CREAM CO., INC.

Breakstone's
LIGHTLY SALTED BUTTER
Delicious!
Breakstone's
WHIPPED BUTTER

DO NOT FREEZE
Miracle Whip
SALAD DRESSING
AN ORIGINAL RECIPE CREATED BY KRAFT
ONE PINT
DO NOT FREEZE
TRUE MAYONNAISE AT ITS FINEST
KRAFT
Mayonnaise
Kitchen Fresh
ONE PINT

Sealtest
COTTAGE CHEESE
Sealtest
CREAMED COTTAGE CHEESE
Sealtest
GARDEN SALAD COTTAGE CHEESE
Sealtest
COTTAGE CHEESE
Sealtest
Devon Style COTTAGE CHEESE
Sealtest
COTTAGE CHEESE

KRAFT
Salad Oil
also for cooking and frying

8 SLICES
KRAFT
De Luxe
SLICES
PASTEURIZED PROCESS
AMERICAN CHEESE

The Story of A Net Profit

ONCE again — as in every one of our 28 years of existence — National Dairy reports a net profit on its operations for the year. Thus we continue to perform the first obligation of a business enterprise to the society which supports it. Everyone is affected by the earnings statement of business. To successful, well-managed enterprises, consumers must look for products, suppliers for a market, workers for wages, investors for a return on their savings, and Government for tax support. Only by achieving reasonable earnings can a company maintain and increase its usefulness and service to the public.

In the following pages we look back on the past ten years of National Dairy, because no single year can measure a company's progress. That is why Condensed Ten-Year Statements have long been included as a regular feature of our annual reports. By seeing the picture in perspective we can best judge the wisdom of the policies which guide our business. A long-range program is essential to the accomplishment of company objectives in any industry. Yet a constant re-appraisal of that program in the light of changing conditions is necessary for lasting success. By setting the past against the present, we see not only how far we have come, but how well we have prepared to go forward in the future.

Because National Dairy's policies have been profitable for the business, we have been able to grow steadily in our capacity to produce and serve. In the past ten years our dollar sales have more than doubled. In the same period there have been corresponding increases in all of the benefits a healthy business generates for the community — improved products and services for consumers; more dollars for farmers, suppliers, workers, and investors; and additional strength for the economy as a whole.

In relation to the daily lives of men and women throughout the country, this is the real significance of the term "net profit," which you will find once more in this, our 29th, Annual Report.

L A Van Bomel

President

Review in Brief

OPERATING RECORD

	1951	1950
We Received Income:		
From the Sale of Products	$1,038,422,000	$906,641,000
From Other Sources	3,838,000	3,298,000
Total Receipts	$1,042,260,000	$909,939,000
We Incurred Costs and Expenses:		
Milk and Other Products	$ 592,870,000	$500,573,000
Wages and Salaries	175,289,000	161,601,000
Operating Services and Supplies	88,276,000	79,115,000
Packaging	66,958,000	56,009,000
Taxes — Federal, State and Local	49,222,000	40,924,000
Repairs and Maintenance	21,904,000	19,566,000
Depreciation	19,047,000	17,286,000
Interest on Bonds	2,695,000	2,200,000
Total Costs and Expenses	$1,016,261,000	$877,274,000
We Earned:		
In Total	$ 25,999,000	$ 32,665,000
On each dollar of sales	2.5¢	3.6¢
On each share of stock	$ 4.07	$ 5.14
Which was distributed as follows:		
Retained in business	$ 7,539,000	$ 14,928,000
Dividends to Shareholders	18,460,000	17,737,000
Per Share	$ 2.90	$ 2.80

FINANCIAL POSITION

WE OWNED

	1951	1950
Cash and Government Securities	$ 40,757,000	$ 38,836,000
Accounts Due Us	45,455,000	38,919,000
Products, Materials and Supplies	117,581,000	94,434,000
Investments and Other Assets	12,309,000	11,202,000
Property, Plant and Equipment (net)	170,535,000	160,050,000
Total Owned	$ 386,637,000	$343,441,000

WE OWED

	1951	1950
For Materials, Services and Taxes	$ 53,327,000	$ 47,164,000
Long-Term Debt	107,550,000	79,400,000
Reserves for Prior Years' Taxes, Insurance, etc.	11,810,000	11,482,000
Total Owed	$ 172,687,000	$138,046,000
NET WORTH: (Difference between what we owned and what we owed)	213,950,000	205,395,000
	$ 386,637,000	$343,441,000

(The statements of Consolidated Profit and Loss and Consolidated Earned Surplus will be found on page 18; Consolidated Balance Sheets on pages 16 and 17)

The President's Statement

IN 1951 National Dairy's sales passed the billion dollar mark for the first time. The total tonnage of products we sold climbed to a new record high too. Our earnings before income taxes were up. We increased our dividends to stockholders. We paid more in wages and added benefits to employees. Our payments to farmers and other suppliers increased.

Shareowners, who have seen the return on their investment increase steadily with improved business, realized in 1951 the highest dividend in 23 years. Total dividends paid during the year amounted to $2.90 a share, an increase from $2.80 in 1950. We declared a dividend of 75 cents a share for the first quarter of 1952, payable on March 10 to stockholders of record on February 18.

TAXES REDUCE NET

The mounting burden of taxes, however, resulted in a decrease of net earnings to $4.07 a share, from $5.14 a share in 1950. In short, we were able, despite increasing costs and Government controls on the prices of all our products, to show an increase in earnings *before* taxes. Yet rising Government taxes took away more of our earnings, leaving us with less profit *after* taxes.

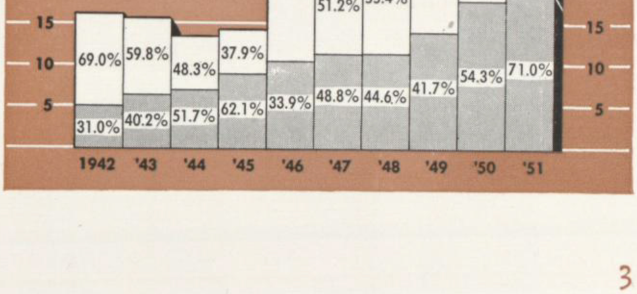
We met these problems in 1951. They are common to all business, and we are fortified with experience and efficiency to meet any situation which may arise in 1952. In the public interest, however, Government taxation and controls must stop short of reducing business profits to a point where they weaken the economic structure.

The amazing industrial development of our country has made all sections of the nation dependent one upon another, and our entire economy dependent upon a prosperous business structure. In recent years, all business has become increasingly subject to decisions and actions of a political Government in Washington.

INTERDEPENDENCE OF OUR INDUSTRY

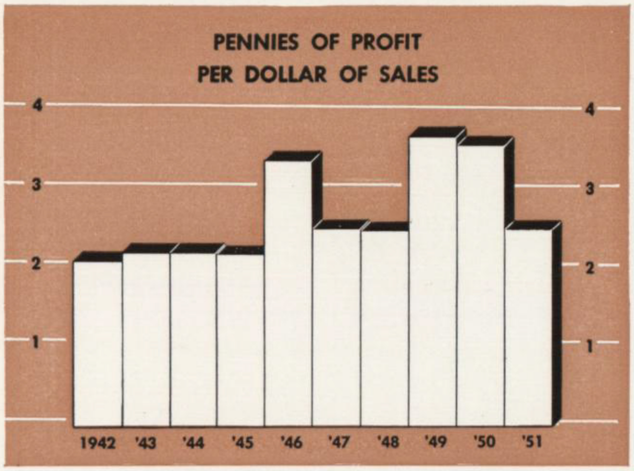
The dairy industry provides an excellent example of the working of all of these factors. For raw materials it must look to millions of small farmers throughout the United States, who in turn look to the industry as their largest single source of cash income. In cities and towns it employs workers to process, package and distribute its products. It purchases supplies and services from hundreds of other industries. It sells a large part of its output through tens of thousands of independent businessmen. Finally, its products are basic to the table in every home.

Today virtually every link in this chain of economic interdependence is affected by the authority of Government. In most of the dairy industry's major markets the Federal Government fixes the price the industry must pay the farmer for milk. Throughout the country the Government sets ceilings on the industry's selling prices. Finally, the Government takes from the industry in taxes a greater share of the profit than is left for shareowners.



TAXES COST MORE THAN FOOD

The amount of taxes collected today is higher than ever before; even higher than at the peak of World War II. For the first time in our peacetime history, the nation's annual tax bill is out-stripping its food bill. In 1951 taxes totaled around 75 billion dollars against an estimated food bill of 55 billion dollars. In the six years from 1945-1951, the Federal government collected in taxes 12 billion dollars more than it had collected in the entire preceding 156 years in the life of our Government.



National Dairy last year paid a total of approximately $1.89 in taxes for every $1.00 of net earnings. Federal taxes on income alone amounted to $6.13 per share. All other taxes amounted to $1.58 per share. As previously mentioned, we showed a profit after taxes of $4.07 per share, as against $5.14 per share for 1950. The decrease of $1.07 per share is due entirely to the increase in Federal taxes on income in 1951.

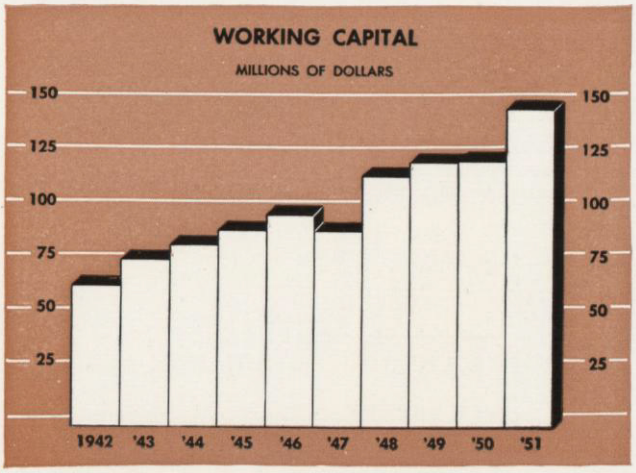
In fairness to our 63,797 stockholders, who are also affected by the higher costs of living, and to enable us to maintain and expand our productive capacity, our sales prices must reflect our increased costs and produce a reasonable profit. Yet, our own prices are rigidly controlled while the costs we pay for goods and services are still increasing. Our profits are squeezed under the General Ceiling Price Regulation, and the other regulations which govern the milk industry. Our industry depends on fast turn-over and, because of keen competition, operates at too small a margin to permit of any cost absorption. If the costs of production, distribution and selling increase, we must be allowed to increase prices by the amount of the increased costs. Ample supplies of milk and free competition will do a better job for the country and for consumers than will government price control.

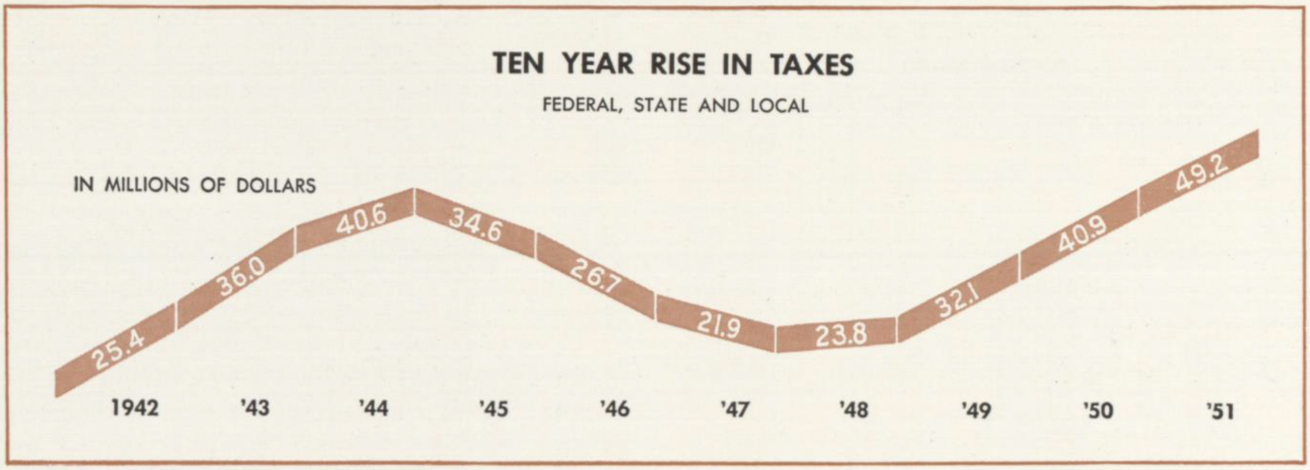
GOVERNMENT ECONOMIES ESSENTIAL

Government must meet its own obligations in the emergency. During this period of high taxes Government must make every effort to economize, and every citizen should demand that it do so. Runaway deficit spending is the greatest single cause of the inflation which is adding to every bill that Government, business and individuals must pay. Waste, extravagance and inefficiency have no justification at any time, and are intolerable when protection of our national security requires record high tax levels.

The main source of our country's high living standards and military strength is the vigor of our industrial system. We now possess the world's greatest productive facilities, largely because corporations have had the earnings and investors the savings, to expand our industrial plant. But this system could be crushed by a combination of overburdening taxes and inflexible controls. And it could be destroyed by a disastrous inflation just as effectively as by the bombs of an enemy.

When Government assumes the wide powers it now exercises and demands the proportion it now takes of business profits, it cannot escape the responsibility it shares to protect the soundness of the business structure. The very foundation of that



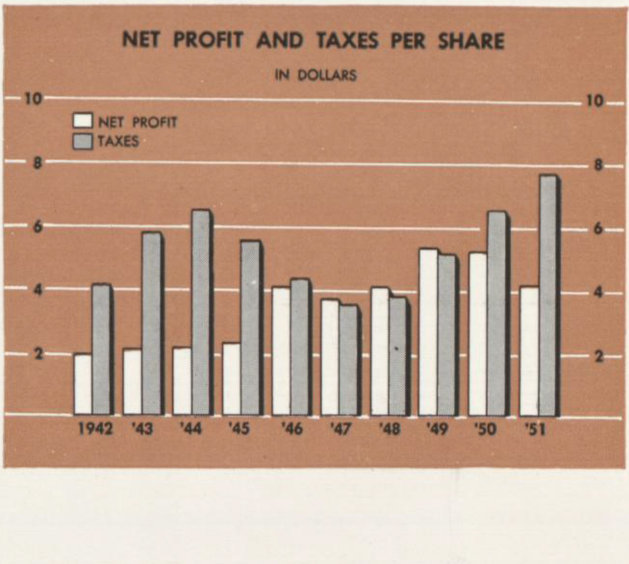


structure is a net profit adequate to permit competitively sound enterprises to thrive and produce the benefits they provide to the nation and the economy as a whole.

Obviously, reasonable tax support and some measure of Government control are necessary to build a strong defense program. We believe that our national security is a responsibility that all must share. But the Federal policy of huge deficits, a mounting national debt and waste and lavish spending in both defense and non-defense branches must be stopped. Popular demand can force our Government to adopt sounder fiscal policies, curb inflation and stabilize the national economy without turning taxation into confiscation or price controls into a straitjacket.

OUR FAVORABLE POSITION

National Dairy currently is in a good position to meet the growing demand for its products. Since 1945, we have made capital expenditures of more than 183 million dollars to replace and improve our plants and equipment. As a result, our physical assets are being utilized more effectively than ever before, and we are in a favorable position to serve our expanding markets efficiently and to play our part under whatever conditions may result from the present unsettled state of the world.

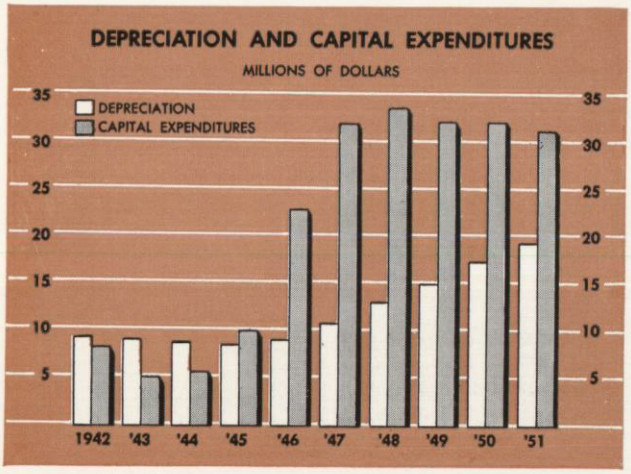


CONSERVING OUR HUMAN ASSETS

Special attention also is being given to our human assets. I am convinced our executive team as a whole is the finest in the industry. We are also proud of the fine record and excellent spirit of all of the more than 43 thousand employees who work for our companies. It is from their ranks that the future management of National Dairy will come, and to that end our Management Development Department was established in 1951. Selected men throughout the organization are being tested and developed through progressive promotions to prepare them for increasingly responsible executive assignments. The present management is thus preparing for a continuity of succession by able, experienced leaders from within the ranks of the organization.

OUR FINANCIAL POSITION

Financially the Company continues to maintain a sound position. At the end of 1951, total assets exceeded total liabilities and reserves by 214 million dollars. Funds to finance our higher volume of business were provided in part by the sale of a



30 million dollar issue of debentures. Since interest on these debentures is a deductible expense for income tax purposes, this is an economical way of acquiring additional funds for our expanding business.

Detailed statements of our financial operations and position will be found in the Review in Brief and in the financial section on Pages 16 to 21. Further information on markets, products, supplies and other subjects concerning the Company's operations in 1951 also will be found in other sections of this report.

OUTLOOK FOR 1952

Looking forward in 1952, there seems little doubt that our total volume of business will remain high. Most of our products are basic foods, and there is no reason to believe there will be any early decrease in either the civilian or military demand for food. As an organization, we are well-equipped — financially, physically and with able workers — to take advantage of whatever opportunities, and face whatever problems, lie ahead.

We record here with deep sorrow the death during the past year of our beloved colleague, Joseph Gilfillan. Mr. Gilfillan had served on the Board of Directors for a quarter of a century, and his wise counsel will be missed. W. S. S. Rodgers, Chairman of the Board of The Texas Company, was elected to fill the vacancy on the Board. Mr. Rodgers is a well-known industrialist, whose broad business experience makes him a valuable addition to our Board.

Clyde H. Shaffer, president of our Breyer Ice Cream company of Philadelphia and our Hydrox Ice Cream company of New York, also was elected to the National Dairy Board of Directors. Mr. Shaffer, who joined Breyer in 1925 and became president in 1942, is also a director of the International Association of Ice Cream Manufacturers. He succeeds F. J. Bahl, president of our Matthews-Frechtling Dairy company of Cincinnati, who is retiring from the Board to devote his full time as chairman of the Cincinnati group of National Dairy companies.

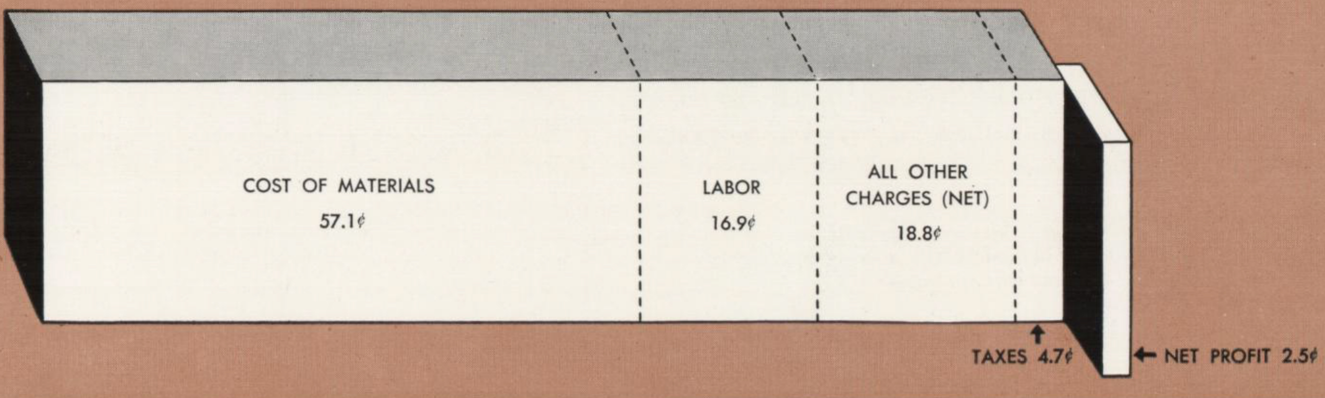
We wish to thank our stockholders, our customers, our employees and our many suppliers, dealers and distributors for their splendid support which has contributed so much to the success of National Dairy's operations.

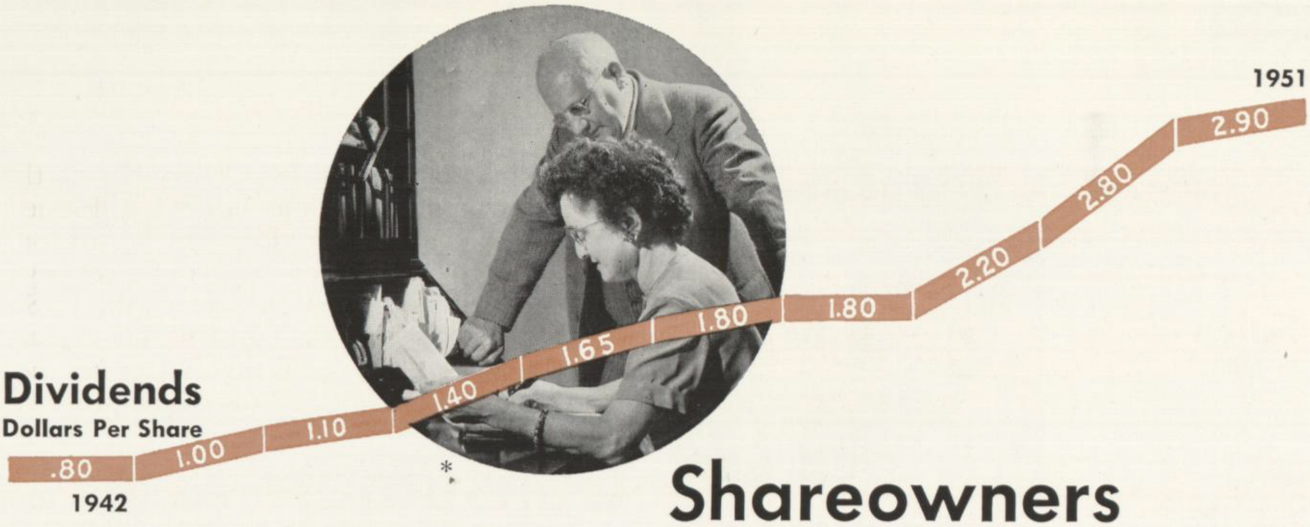
L. A. Van Bomel
By order of the Board of Directors *President*

Thos. H. McInnerney
Chairman of the Board

New York, N. Y.
March 6, 1952.

HOW THE SALES DOLLAR WAS DIVIDED IN 1951





Shareowners

National Dairy's 63,797 shareowners are found in all the 48 states, territorial possessions of the United States and in several foreign countries. They represent virtually every calling and every station in life. A total of $18,460,265 was paid to them as dividends in 1951.

By the end of 1951, shareowners had received 112 quarterly dividend payments in a series unbroken since the Company's founding in 1923. In the ten years 1942 through 1951, dividend payments aggregated $109,890,039, or a total of $17.45 per share. Dividends per share in 1942 were $.80; in 1951, $2.90.

OTHER SHAREOWNER DATA

Of the 6,380,598 National Dairy shares outstanding, no one stockholder owns as much as two per cent. Of the 63,797 owners, 48,607 hold less than 100 shares each.

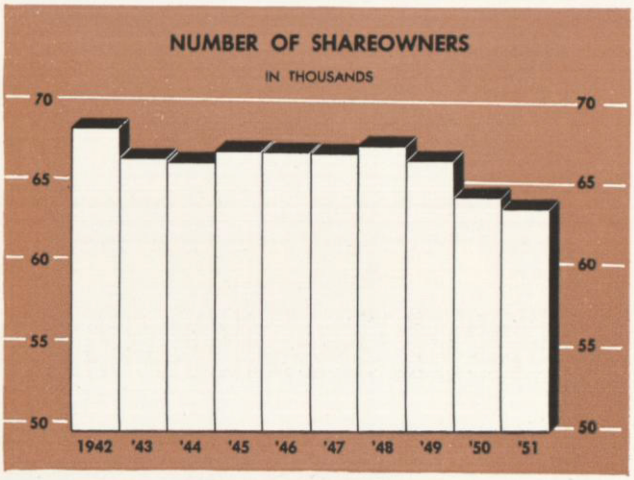
More than 430 non-profit institutions are investors in our Company. Included are 86 colleges, universities and other educational institutions; 102 churches and religious orders; 35 charitable agencies; 37 hospitals; 66 societies and associations; 74 homes and other types of shelters; and 30 foundations. Our stock is also held for many other non-profit institutions in the names of nominees and banks. In addition, 73 insurance companies are holders of our stock. Bringing benefit to many thousands of people, these organizations rely heavily upon investment.

FINANCIAL INSTITUTIONS

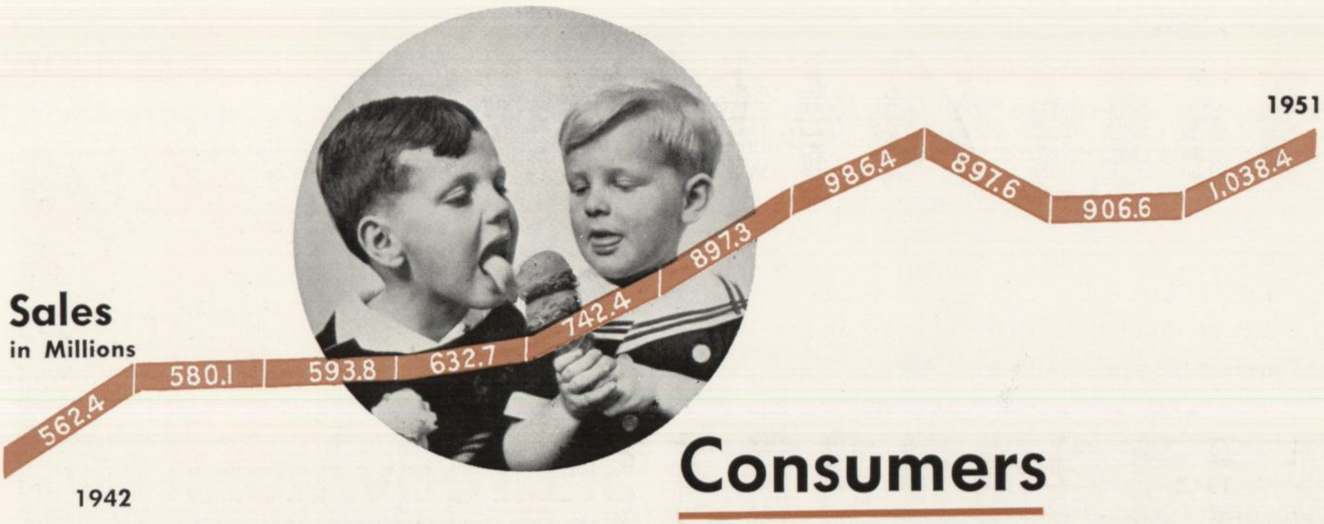
In addition, the 63,797 holders of National Dairy stock include brokers, banks, trust companies and other financial institutions which manage investment interests for thousands of other people who benefit from our dividends.

Our many shareowners are widely scattered. Yet we strive to provide them with up-to-date, complete and factual information. Our main media are the Annual Report and the Stockholder News which is issued quarterly in conjunction with our dividend checks. In addition, the Annual Report is discussed in detail with stockholders by the President and other officers at our Annual Meeting in April.

This year's meeting, which you are most cordially urged to attend, will be held at 11:00 A. M. on April 17, at the Biltmore Hotel in N. Y. City.



Mr. and Mrs. George J. Meyer, of Forest Hills, N.Y., shareowners of National Dairy since 1930, operate as a husband-wife investment team.



Consumers

National Dairy in 1951 served more people with more products than ever before in our history. Through broadened facilities and further improvements in processing, packaging and distribution of products we helped to meet widening food needs.

In the last decade, more and more people have demanded more and better foods. As the population rose, people's knowledge of diet and health grew. Today, dairy products comprise more than 20 per cent of the foods purchased annually by the average American.

MANY USES OF MILK

Of the 120 billion pounds of milk now produced annually, more than 47 per cent is consumed as fluid milk. About 10 per cent is eaten in the form of cheese. Another 32 per cent goes into dairy products such as ice cream and butter. The remainder is largely dried whole and skim milk, butter milk and whey which the consumer obtains in the form of bakery, soup, candy and other "manufactured" products.

To meet this great and growing market, National Dairy companies in 1951 continued to extend our services to the public. Milk and ice cream sales were up, and our sales volume was maintained in cheese, butter and in a wide variety of specialty products.

NEW PACKAGES INTRODUCED

We promoted our products even more vigorously through television and radio programs, newspaper and magazine advertisements and by point-of-sale devices. New packaging, improving the appearance and durability of product containers, was instituted by all our Sealtest divisions, and in certain of the lines carried by our Kraft and Consolidated Products companies. The entire Sealtest line was repackaged in 1951 and the products introduced in new uniform designs which permit, through color variations, instant consumer identification of product and flavors. These attractive, new packages have received wide recognition in the trade and a growing acceptance among consumers.

Among the several improvements introduced by Kraft to promote its consumer products, are natural cheeses in a new block form, rindless and in transparent wrappers; a cream-style horseradish, rich and tangy in flavor, and the well-known Velveeta, a process cheese food, in a new, one-pound package.

In a large Chicago hospital, dietitians fill trays that include individual cups of Miracle Whip for the many patients fed there daily.

SALES EFFORTS INTENSIFIED

Merchandising efforts with dealers, supermarkets, drug stores and other retail outlets were intensified. A number of our companies — such as Rieck in Pittsburgh, Belle Vernon in Cleveland, Chestnut Farms in Washington, D. C., Southern Dairies' divisions in the South and General Ice Cream divisions in New England — extended their sales through automatic milk vending machines in schools, factories, offices, airports, railroad yards and military bases. Our Kraft Foods Company launched a new institutional program to increase its sales to hotels, restaurants, cafeterias, hospitals and schools. These institutions serve an estimated 65 million meals daily.

Our consumer services, through literature, recipes, lectures and demonstrations, extended their efforts to supply data on dairy product use and nutrition to newspaper, radio and magazine food editors, home economists, dietitians, women's clubs and other consumer groups.

Many of the menus which are standard in American homes today have been created by our staffs in the kitchens of the Kraft Consumer Service Department and the Sealtest Consumer Service. Appetizing dishes are originated, and millions of copies of recipes using our products are then distributed through the sales promotion and advertising departments of our local operations.

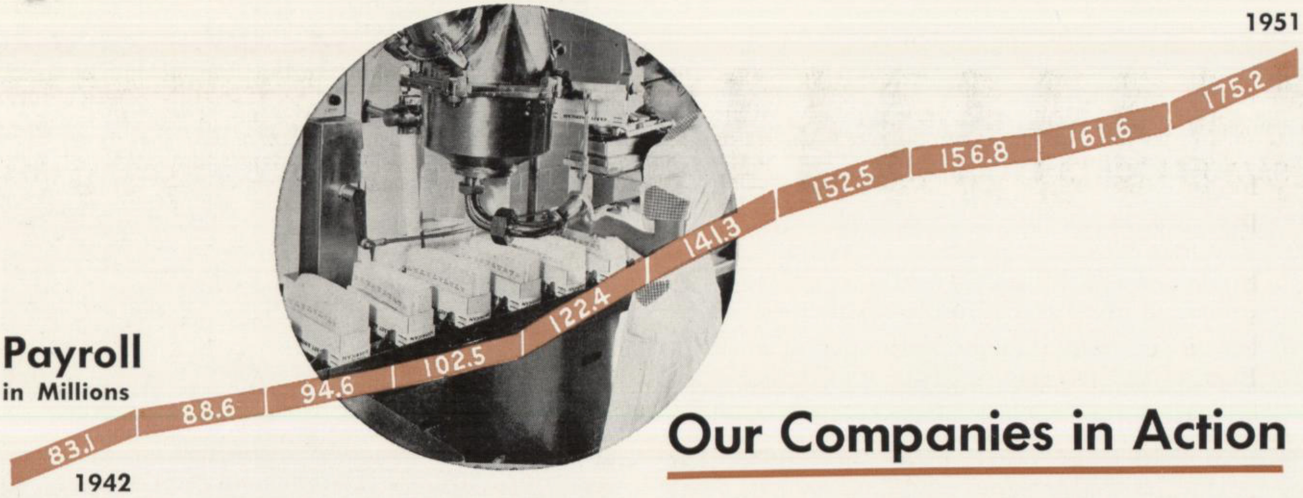
Sealtest
ICE CREAM
Sealtest
ICE CREAM

Capacious trailer-tractor developed by our Matthews-Frechtling Dairy Co. in Cincinnati. Three waist-high doors permit quick selection and economical delivery of Sealtest ice cream.

Hundreds of thousands of eggs are inspected daily at our Ovson Egg Company in Chicago. Eggs are specially prepared for use in making many other foods.

Sealtest
MILK
Sealtest
MILK
Sealtest
CHOC
MILK
Rowe

A growing consumer gets his milk from one of our new vending machines.



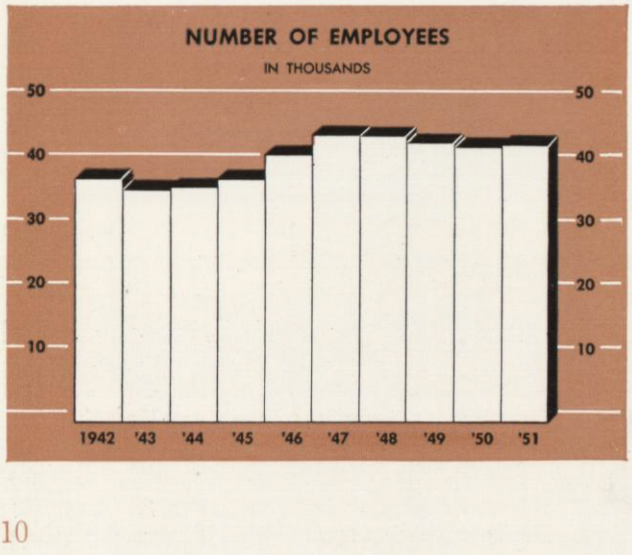
Our Companies in Action

National Dairy companies maintain plants and distribution centers in hundreds of American communities. We buy from, and deal with, thousands of businesses, large and small, and our company executives and workers are an integral part of community life.

In 1951, we gave employment to 43,399 men and women, paying them a total of $175,289,000. In addition, National Dairy companies spent $770,008,000 in 1951 for services and supplies with businesses throughout the country and paid $7,508,000 in taxes to support state and local governments.

OPERATIONS LOCALIZED

A few illustrations will indicate the way our various companies localize their operations. Our General Ice Cream Corporation, for example, maintains 25 ice cream manufacturing plants, five fluid milk plants, three combination milk and ice cream plants, three creameries and 52 ice cream branches. G. I. C. serves 6,484 communities in New York State and the six New England states. Each of the company's milk and ice cream plants is managed by local personnel. Each buys its milk from nearby farmers, and most of its supplies and services for office and plant operations from local businessmen.



From its mid-west headquarters at Danville, Ill., our Sugar Creek Creamery supervises 26 widely-scattered plants, selling butter in virtually every state, largely as private brands.

STATION MANAGERS AIDED

More than 1,000 stations buying cream from 250,000 producers supply the various plants of Sugar Creek. The company assists station managers to get started, teaches them modern methods of buying and testing cream, purchases their product, and otherwise helps them to achieve business success.

Our various companies offer many and diverse food services to the public. At its plants located in seven Midwestern states, our Ovson Egg Company buys during the season thousands of cases of fine shell eggs a day for processing and packing. In the peak season, the company can separate whites and yolks of hundreds of thousands of eggs a day. Ovson produces homogenized yolks and whole eggs for use in making mayonnaise, and for the baking, confectionery and other food industries.

COMPANIES HAVE LONG HISTORY

In Boston, our Deerfoot milk division serves its many retail and wholesale customers from its Newton Upper Falls plant. At Southboro, Mass., the meat division produces the famous Deerfoot sausages and a line of 36 other fine meat products distributed throughout the East. Deerfoot Farms,

One of the production lines of our Deerfoot Farms meat division's plant in Southboro, Mass., where sausages, hams and many other fine meats are produced for eastern markets.

founded in 1847, is one of the oldest food companies in the country.

Our 68-year-old Breakstone company is one of the largest makers and distributors of soft cheeses, sweet and salt butter and sour cream. The company has pioneered in whipped butter and cream cheese. Breakstone processes millions of pounds of butter annually. The Walton, N. Y. plant specializes in production of cultured milks, especially cultured buttermilk and yogurt. From its five plants in New York state and six coastal distribution branches, Breakstone products go to many cities. Our National Creamery Company near Boston makes a similar line of specialty products and supplies the Boston marketing area.

PLANT PRODUCTION SERVICES

All our plants are backed up by plant engineers and technicians expert in production. Sealtest companies are inspected regularly and receive technical assistance from our Plant Production Department. Our other divisions maintain similar services which often extend beyond our own plants. Kraft Foods Company, for example, has operated such a service for small, independent cheese factories for many years. Kraft also works intensively with local grocers, operating pilot dairy departments at major plants to help retailers with problems of stocking, merchandising and displaying dairy products. Schools are being established in the company's branches to train local store personnel in product knowledge, handling, displays and other cheese merchandising techniques.

OUR EMPLOYEES

From top management to the production lines, the skill, loyalty and security of National Dairy employees have been vital to the company's progress. In 10 years, the total amount we have paid out yearly in wages has more than doubled, and we have provided over 6,000 additional jobs. More than one-third of our present employees have been with us 10 years or longer. Nearly all of our company executives have worked their way up through various positions in our plants, acquiring the skills which led to gradual promotion into management responsibility.

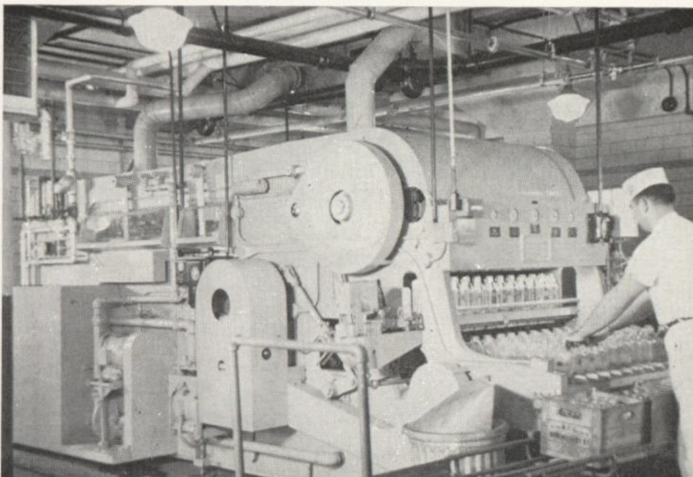
A total of 33,000 workers now subscribe to our life, accident and sickness insurance programs. They obtain this insurance at low rates, and we pay part of the cost. In 1951, our employees carried an aggregate of $128,000,000 in term life insurance and $1,150,000 of weekly coverage for accident and sickness insurance under these programs. In addition, nearly 6,000 workers are provided, under industry-wide union contracts, with similar coverage.

Our non-contributory pension plan, supplementing the social security program of the Federal Government, was made available to our divisions early in 1951, and with the insured contributory retirement annuity plan established in 1941, provides a balanced program for employees.

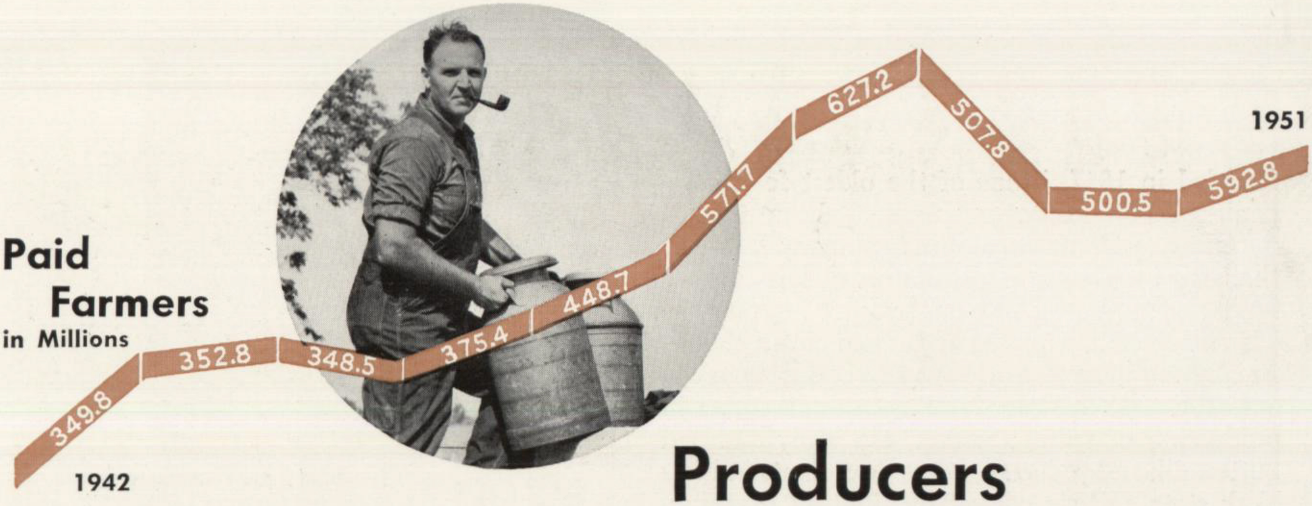
Butter trophy won by our Sugar Creek-Harding division three days after Kansas City plant re-opened following 1951 floods.

MISSOURI
STATE FAIR
1951
HARDING CREAM CO.
KANSAS CITY, MO.

Make-room in the Salad Dressing Department of our new Kraft plant at Hillside, N. J. This plant makes nine products and ships them to ten Eastern states and abroad.



This new-type bottle washer installed in 1951 in our Schenectady fluid milk plant cleans 120 bottles a minute. Quarts, pints or half-pints can be handled on its continuously moving carrier chain, speedily and with marked economy of operation.



Producers

From thousands of farms in the nation's great milk sheds and growing areas National Dairy companies in 1951 bought a total of $592,870,000 worth of milk and other kinds of farm produce. A great share of this amount, second highest in our history, went to owners of small and medium-sized farms where much of this country's dairying is done.

Of all farms in the United States three out of four, averaging three cows apiece, produce some milk. One out of ten farms specializes in dairying. American dairymen realize a cash income of about $4 billion a year, nearly one-sixth of the total farm income.

COMPANIES AID PRODUCERS

To meet the growing need for dairy products and keep prices within consumer reach requires better and more economical methods of farm production. To this end, National Dairy companies work with government agencies, state universities, farm organizations and directly with farmers in their pastures, feed barns and milk houses. Teams of our trained dairymen, veterinarians, and other farm specialists help on feeding, sanitation and production.

The field services operated by Kraft and our various Sealtest divisions long have carried out a wide variety of other producer services. They supply literature, films and displays for farm groups; cooperate on television and radio shows; work with farm news editors, and help organize plant open houses and state and county fairs.

NATIONAL DAIRY AWARDS

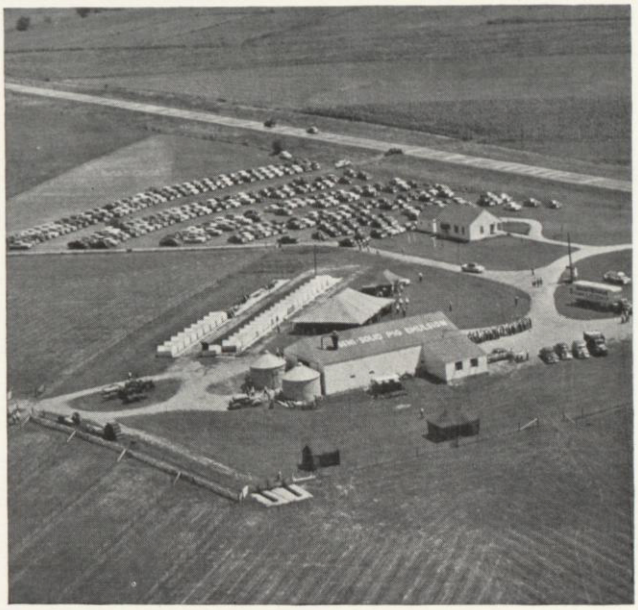
To encourage community-wide efforts in dairying, National Dairy also gives awards for unusual accomplishment. In 1951 a total of 112 plaques were awarded to testers, supervisors and members of the Dairy Herd Improvement Association in the annual National Dairy Efficiency Production Awards for Superior Achievement in Dairying. Cash awards were made to 400 other producers. National Dairy Achievement Award plaques also went to 130 members of the 4-H clubs and Future Farmers of America and 1,150 received cash awards.

JUNIOR DAIRYMEN

The Junior Dairymen project was pioneered by our Kraft Foods Company to encourage farm boys and girls to take up careers in dairying. The organization now has more than 700 members in all areas where Kraft plants are located. Cooperating closely with other farm youth groups the Junior Dairymen work in 65 communities, and now own 1,200 dairy cows and much dairy equipment. During 1951, these boys and girls earned $157,063 by selling milk to our plants in their localities.

Typical scene in our work with producers. J. R. Haupt, left, manager of our Sugar Creek Creamery plant in Indianapolis, presenting the Annual National Dairy Efficient Production Awards to Indiana farmers and farm youth representatives. Each winner received a plaque and a U. S. Savings Bond. Cooperating with Purdue University in sponsoring these annual awards are five National Dairy companies: Sugar Creek Creamery Company, Kraft Foods Company, Cloverleaf Creameries, Inc., Ewing-Von Allmen Dairy Company and Matthews-Frechtling Dairy Company.

Ray and Roy Butler, identical twins, and the triplet calves they have helped to rear on our experimental farm near Danville, Ill. Two of the calves, fed on our Kaff-A, have developed as rapidly and at far less cost than the other calf, which was milk-fed.



Aerial view of our Des Moines farm on a field day last summer when 3,000 Iowa farmers gathered to attend a demonstration on the best methods of feeding and raising farm animals. Our model farms yield new ideas for producers and serve as testing grounds for new feeds.

Research and Product Development

NATIONAL DAIRY RESEARCH LABORATORY

Included in this group of scientists pictured at our Oakdale, L. I. laboratories are representatives of 18 scientific specialties, as follows: Analytical Chemistry, Animal Husbandry, Bacteriology, Biochemistry, Chemical Engineering, Colloid Chemistry, Dairy Technology, Food Technology, Inorganic Chemistry, Microbiology, Mechanical Engineering, Nutrition, Organic Chemistry, Physical Chemistry, Physiology, Physics, Radiochemistry and Sanitary Engineering. Not represented here are two others, Entomology and Veterinary Medicine.

During 1951, we further diversified our product line, improved manufacturing processes and found new uses for by-products. Technical experts and engineers in our plants worked with research scientists to achieve lower costs, longer shelf life, better flavors and more attractive appearance for our products.

Several new and improved products for consumer or industrial use were launched under our various labels in 1951.

NEW SALAD DRESSINGS

Rounding out its salad dressing line to meet every consumer taste, Kraft introduced two new products nationally, the Casino French and Sea Island dressings, and will go into distribution this year with the new Caesar salad dressing. Following extensive laboratory experiment, our Phenix Pabstett Company began distribution of Dari-licious, a new product for making cheesecakes, coffee cakes, pastries, eclairs and other baked goods.

The fact that most packers, bakers, soup makers, confectioners and others buy a total of more than 600 million pounds of dry milk alone each year, indicates the size of the market for industrial products. Whey, the milk fraction left after the butter fat and casein are removed in making cheese, is produced in America at the rate of nearly 15 billion pounds annually. The derivatives of milk and whey obtained through research are used in countless ways to make foods, animal feeds, chemicals and pharmaceuticals.

INDUSTRIAL PRODUCTS

Our Kraft Foods Company produces more than 50 industrial products, including the dried milks Kralex and Lacalac; Kraystay and Krageleen, food stabilizers; Krafen, a spray-dried whey for soups, baked goods and candies, and several cheese-flavoring products. Kraft makes other whey products,

Master baker testing bread mixed with milk powder at the model bakery in our central laboratories. Our companies send dried milk powder here for scientific tests.

New Kraft salad dressings which are now in national distribution. Casino French Dressing is designed particularly for fruit and tossed salads. Sea Island Dressing is ideal for salads, fine seafoods or as a sandwich spread.

such as Kraylets for animal food manufacturers and Delyn for mixing with poultry feeds.

A new plant and laboratory at South Portland, Me. was opened by Phenix Pabst-ett to process Irish moss gathered from the rocky coasts by Maine fishermen. From Irish moss we produce emulsifiers and stabilizing agents which go into such foods as soups, gravies and chocolate drinks.

Operating two experimental and demonstration farms at Danville, Ill., and Des Moines, Ia., our Consolidated Products Company specializes in animal and poultry feeds derived largely from whey, buttermilk and powdered milk. The company now has 77 plants, with 15,000 feed dealers handling its products nationally.

Consolidated is noted for its line of Semi-Solid Emulsions which aid the health and growth of farm animals and poultry. Worked out with our laboratories, the new product Sparx, for baby pigs, is already selling more than 2 million pounds a month. Pex, a condensed whey and bran feed for poultry, was market-tested last year for introduction in 1952. The company's new dog food Barx was perfected in 1951 and will go into wider distribution this year.

CHEMICAL PRODUCTS

Our Sheffield Chemical Division at Norwich, N. Y. specializes in products having wide uses in industry. Edible milk proteins are supplied for baby foods and other food products, such as breads and pie crust mixes; calcium lactate for firming canned or frozen apples; lactic acid for making solvents and other chemicals; sodium lactates as softening agents for fabrics and paper; casein for coating paper and for applications in making synthetic rubber and plastics.

MATERIALS USED IN PHARMACY

Our chemical products also have important uses to medicine and pharmacy. Milk nutrients are applied to making anti-biotics such as penicillin and streptomycin, and go into biologicals, such as tetanus and diphtheria toxins. Our nutrient materials also are used in fermentation to produce the enzymes that help combat infection. Our laboratories also have cooperated on the development and production of a new burn remedy which utilizes the casein and sodium lactate made by our chemical division.

Today, 50 fully-equipped laboratories are in operation at our central unit in Oakdale, L. I., and Kraft maintains research facilities and 10 pilot operations at its Glenview, Ill., laboratories. Every major National Dairy plant in the country also maintains an on-the-spot laboratory to control quality, purity and flavor.

The fine livestock and poultry feeds of our Consolidated Products Company are shown here in their newly-designed packages. All of these products, with the exception of Hi-Whey, a poultry feed, and Barx, a dog food, are in national distribution.

NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC SUBSIDIARY COMPANIES

Consolidated Balance Sheets

ASSETS	*December* 31 1951	 1950
CURRENT ASSETS:		
Cash	$ 39,855,309	$ 33,164,402
U. S. Government securities	901,424	5,671,492
Notes and accounts receivable, less reserve	45,454,764	38,919,078
Inventories, lower of average cost or market—		
Products and materials	102,439,372	81,333,311
Supplies	15,141,981	13,100,445
Total Current Assets	$203,792,850	$172,188,728
INVESTMENTS AND OTHER ASSETS:		
Foreign subsidiaries—		
Canadian	$ 6,721,649	$ 5,421,032
English, Australian and Argentine	3,972,259	3,969,319
Continental European	1	1
	$ 10,693,909	$ 9,390,352
Less—Reserve for investments	3,503,935	3,503,935
	$ 7,189,974	$ 5,886,417
Domestic subsidiaries, not consolidated	7,472	10,722
Miscellaneous investments, deposits and receivables, less reserves	3,291,029	3,468,708
	$ 10,488,475	$ 9,365,847
PROPERTY, PLANT AND EQUIPMENT (Stated substantially at cost):		
Land	$ 13,646,961	$ 13,533,911
Buildings, machinery and equipment	270,120,089	247,731,394
	$283,767,050	$261,265,305
Less—Reserve for depreciation	113,231,768	101,215,591
	$170,535,282	$160,049,714
PREPAID AND DEFERRED ITEMS	$ 1,820,251	$ 1,836,357
GOODWILL	$ 1	$ 1
	$386,636,859	$343,440,647

(See Notes to Consolidated Financial Statements, page 19)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Consolidated Balance Sheets

LIABILITIES	*December 31* 1951	1950
CURRENT LIABILITIES:		
Accounts payable	$ 41,085,808	$ 36,552,097
Accrued liabilities	12,240,783	10,612,078
Provision for Federal taxes on income	39,150,000	30,600,000
Less—U. S. Government securities	(39,150,000)	(30,600,000)
3⅛% Notes due in Canadian funds within one year	250,000	250,000
Minimum annual sinking fund requirements due within one year with respect to 2¾% and 3% Debentures due 1970	1,600,000	1,600,000
Total Current Liabilities	$ 55,176,591	$ 49,014,175
LONG-TERM DEBT:		
2¾% Debentures due 1970 (Minimum annual sinking fund requirements: 1953-1955—$1,000,000 principal amount; 1956-1969—$1,500,000)	$ 45,000,000	$ 46,000,000
3% Debentures due 1970 (Minimum annual sinking fund requirements: 1953-1954—$600,000 principal amount; 1955-1959—$900,000; 1960-1969—$1,200,000)	28,200,000	28,800,000
3⅛% Debentures due 1976 (Minimum annual sinking fund requirements: 1954-1964—$600,000 principal amount; 1965-1975—$900,000)	30,000,000	None
3⅛% Notes (Due serially in Canadian funds $250,000 on December 1, each year 1953-1962)	2,500,000	2,750,000
	$105,700,000	$ 77,550,000
MINORITY INTEREST IN SUBSIDIARIES	$ 338,520	$ 336,819
RESERVES:		
Prior years' Federal and state taxes	$ 9,507,144	$ 9,123,792
Insurance and other	1,964,667	2,021,379
	$ 11,471,811	$ 11,145,171
CAPITAL STOCK AND EARNED SURPLUS:		
Common stock, authorized, without par value, 8,000,000 shares Issued and outstanding at stated value— 6,380,598 shares (1950—6,345,761 shares)	$ 54,460,096	$ 53,443,731
Earned surplus, per statement attached	159,489,841	151,950,751
	$213,949,937	$205,394,482
	$386,636,859	$343,440,647

(See Notes to Consolidated Financial Statements, page 19)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Statements of Consolidated Profit and Loss and Earned Surplus

CONSOLIDATED PROFIT AND LOSS

	Year Ended December 31 1951	1950
INCOME:		
Net sales	$1,038,422,362	$906,641,022
Other income	3,837,817	3,297,635
Total	$1,042,260,179	$909,938,657
INCOME DEDUCTIONS:		
Cost of products	$ 772,303,344	$662,935,193
Delivery expense	106,556,040	97,339,773
Selling expense	61,972,261	53,342,926
General and administrative expense	32,860,140	29,952,693
Miscellaneous charges—net	723,656	902,935
Interest on long-term debt	2,695,383	2,200,381
Provision for Federal taxes on income (including $4,950,000 for excess profits taxes in 1951, and $2,700,000 in 1950)	39,150,000	30,600,000
Total	$1,016,260,824	$877,273,901
NET PROFIT FOR THE YEAR	$ 25,999,355	$ 32,664,756

The provision for depreciation charged to costs and expenses amounted in 1951 to $19,046,660 and in 1950 to $17,285,511.

CONSOLIDATED EARNED SURPLUS

	1951	1950
Balance at beginning of year	$ 151,950,751	$137,022,884
Net profit for the year	25,999,355	32,664,756
	$ 177,950,106	$169,687,640
Dividends on common stock—$2.90 per share in 1951; $2.80 per share in 1950	18,460,265	17,736,889
Balance at end of year	$ 159,489,841	$151,950,751

(See Notes to Consolidated Financial Statements, page 19)

COMPTROLLER'S CERTIFICATE

The foregoing financial statements have been prepared under my direction from the companies' books kept under my supervision and, to the best of my knowledge and belief, fairly state the consolidated position of National Dairy Products Corporation and domestic subsidiaries as of December 31, 1951 and the consolidated operations for the year ended on that date.

A. Boag Jr.

Comptroller

New York, N. Y., March 6, 1952.

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements . . . December 31, 1951

PRINCIPLES OF CONSOLIDATION

All domestic subsidiary companies have been included in consolidation in the financial statements, except a mutual insurance company and three minor partially owned companies. All foreign subsidiaries have been excluded from consolidation in the financial statements.

FOREIGN SUBSIDIARIES

Net sales of foreign subsidiaries (except Germany) aggregated $53,914,828 in 1951 and $40,839,221 in 1950, and the Company's equity in the net profits of such subsidiaries was $1,702,810 for 1951 and $1,566,496 for 1950, stated at the rates of exchange prevailing at the end of such years. The Company's equity in the net tangible assets of such foreign subsidiaries was $15,112,124 at December 31, 1951.

Dividends of $1,007,517 in 1951 and $686,782 in 1950 were received from foreign subsidiaries and credited to profit and loss.

DIVIDEND RESTRICTION

The Indenture and Supplemental Indentures under which the Debentures of the Company are outstanding contain provisions with respect to the payment of dividends on the common stock. Under these provisions approximately $93,900,000 of the consolidated earned surplus was restricted at December 31, 1951.

INCENTIVE COMPENSATION PLANS

Under the incentive compensation plans of the subsidiaries, officers and employees received payments amounting to approximately $1,690,000 for 1951 as compared with $1,484,000 for 1950. These plans covered in 1951 a total of 1,061 key employees, none of whom received as much as 1.5% of the total. No officer or employee of the parent company participated in these plans.

EMPLOYEES' SHARE PURCHASE PLAN

300,000 shares of the authorized and unissued common stock of the Company were reserved until May 15, 1954 for sale to officers and other key employees pursuant to the Employees' Share Purchase Plan approved by the stockholders in 1944. Privileges to purchase a total of 158,614 shares in instalments to and including May 15, 1954, at prices ranging from $21.75 per share to $45.55 per share, depending upon the dates of the grants of the privileges to purchase, were held by 700 key employees at December 31, 1951. 125,351 shares have been issued under the plan to December 31, 1951 and the proceeds therefrom amounting to $3,193,420 have been credited to the common stock issued account.

RETIREMENT ANNUITIES

Charges to costs and expenses in 1951 and 1950 with respect to future service retirement annuities under the contributory plan adopted in 1941 amounted to approximately $1,488,000 and $1,169,000, respectively.

Charges with respect to the new non-contributory pension plan approved by the stockholders in 1950 amounted to $658,000 in 1951. The single sum liability as of July 1, 1951 to fund the past service cost for those employees now covered by such plan is approximately $6,127,000. It is the present intention of the company to amortize this cost over a period of 30 years, which would require annual payments of approximately $290,000, in addition to the annual normal cost of approximately $370,000. If all potentially eligible employees are brought under such plan, the annual normal cost would be increased by approximately $540,000, the single sum past service cost by approximately $10,000,000, and the annual payment to fund the latter over 30 years by approximately $465,000.

EXCESS PROFITS CREDIT

The Company's consolidated Federal excess profits credit is estimated to be $48,500,000 for 1951, and $45,450,000 for 1950.

AUDITORS' CERTIFICATE

To the Board of Directors and Stockholders of
National Dairy Products Corporation:

We have examined the consolidated balance sheet of National Dairy Products Corporation (a Delaware corporation) and domestic subsidiary companies as of December 31, 1951, and the related statements of consolidated profit and loss and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the year 1950.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated profit and loss and earned surplus present fairly the financial position of National Dairy Products Corporation and domestic subsidiary companies consolidated as of December 31, 1951, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y., March 6, 1952.

Arthur Andersen & Co

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Assets and Liabilities

(All amounts are expressed in thousands)

	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942
WORKING CAPITAL										
CURRENT ASSETS										
Cash and marketable securities .	$ 40,757	$ 38,836	$ 53,593	$ 45,690	$ 30,614	$ 26,862	$ 56,295	$ 45,346	$ 29,767	$ 17,028
Notes & accounts receivable (net) .	45,455	38,919	32,825	36,893	36,462	30,754	21,600	23,581	22,873	23,828
Inventories	117,581	94,434	80,124	89,712	86,168	86,766	46,463	44,872	52,252	50,410
Total Current Assets . .	$203,793	$172,189	$166,542	$172,295	$153,244	$144,382	$124,358	$113,799	$104,892	$ 91,266
CURRENT LIABILITIES										
Bank loans	$ 0	$ 0	$ 0	$ 0	$ 7,500	$ 0	$ 0	$ 0	$ 0	$ 1,757
Accounts payable and accruals . .	53,327	47,164	42,477	40,093	40,516	43,438	33,884	28,388	26,798	23,317
Provision for Federal income tax .	39,150	30,600	22,150	16,200	15,000	20,500	28,425	33,080	29,000	18,500
Less—U. S. Government securities	(39,150)	(30,600)	(22,150)	0	0	(17,461)	(28,425)	(33,080)	(29,000)	(18,500)
Serial Notes and minimum annual sinking fund requirements due within one year	1,850	1,850	1,100	500	500	500	500	2,050	2,050	2,050
Total Current Liabilities	$ 55,177	$ 49,014	$ 43,577	$ 56,793	$ 63,516	$ 46,977	$ 34,384	$ 30,438	$ 28,848	$ 27,124
Working Capital . .	$148,616	$123,175	$122,965	$115,502	$ 89,728	$ 97,405	$ 89,974	$ 83,361	$ 76,044	$ 64,142
PROPERTY, PLANT AND EQUIPMENT (Net)	170,535	160,050	146,132	134,316	115,138	94,873	81,693	84,974	92,188	97,387
INVESTMENTS, OTHER ASSETS AND PREPAID ITEMS	12,309	11,202	10,929	11,031	8,561	8,482	7,999	9,240	8,818	9,883
Total	$331,460	$294,427	$280,026	$260,849	$213,427	$200,760	$179,666	$177,575	$177,050	$171,412
LONG-TERM DEBT	$105,700	$ 77,550	$ 79,400	$ 81,000	$ 48,500	$ 49,000	$ 49,500	$ 51,150	$ 58,250	$ 63,866
MINORITY INTEREST	338	337	327	319	340	337	303	345	321	298
RESERVES	11,472	11,145	10,691	25,001	24,238	23,165	16,998	17,617	16,654	12,216
Total	$117,510	$ 89,032	$ 90,418	$106,320	$ 73,078	$ 72,502	$ 66,801	$ 69,112	$ 75,225	$ 76,380
Book Value of Common Stock .	$213,950	$205,395	$189,608	$154,529	$140,349	$128,258	$112,865	$108,463	$101,825	$ 95,032

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Profit and Loss

(All amounts are expressed in thousands, except per share and other statistics)

	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942
INCOME:										
Net sales	$1,038,422	$906,641	$897,675	$986,404	$897,324	$742,409	$632,769	$593,853	$580,173	$562,451
Other income	3,838	3,298	2,445	2,465	2,438	2,023	2,424	1,718	1,311	1,306
Total income	$1,042,260	$909,939	$900,120	$988,869	$899,762	$744,432	$635,193	$595,571	$581,484	$563,757
INCOME DEDUCTIONS:										
Cost of products	$ 772,304	$662,935	$668,051	$779,298	$708,069	$563,754	$476,066	$441,609	$436,739	$425,808
Delivery expense	106,556	97,340	95,187	94,001	87,526	75,217	63,704	58,466	56,991	57,111
Selling expense	61,972	53,343	48,945	46,549	40,908	32,104	26,801	24,175	22,786	26,430
General and administrative expense	32,860	29,953	28,729	26,373	23,464	20,794	18,750	18,893	16,931	15,822
Miscellaneous	724	903	1,568	(767)	278	236	5,664	4,311	1,567	2,008
Interest on long-term debt	2,695	2,200	2,231	1,857	1,358	1,383	1,669	1,799	1,921	1,956
Provision for Federal income tax	39,150	30,600	22,150	16,200	15,000	20,500	28,425	33,000	29,000	18,500
Total income deductions	$1,016,261	$877,274	$866,861	$963,511	$876,603	$713,988	$621,079	$582,253	$565,935	$547,635
Net profit for the year	$ 25,999	$ 32,665	$ 33,259	$ 25,358	$ 23,159	$ 30,444	$ 14,114	$ 13,318	$ 15,549	$ 16,122
Appropriated to reserve for possible future inventory price declines and other contingencies	0	0	0	0	0	5,000*	0	0	2,500*	3,900*
Balance transferred to earned surplus	$ 25,999	$ 32,665	$ 33,259	$ 25,358	$ 23,159	$ 25,444	$ 14,114	$ 13,318	$ 13,049	$ 12,222
PAYMENTS:										
Dividends	$ 18,460	$ 17,737	$ 13,860	$ 11,306	$ 11,295	$ 10,334	$ 8,757	$ 6,881	$ 6,255	$ 5,004
Payroll	175,289	161,601	156,888	152,574	141,372	122,408	102,532	94,648	88,632	83,136
Taxes	49,222	40,924	32,110	23,824	21,963	26,723	34,651	40,644	36,099	25,453
PER SHARE OF COMMON STOCK:										
Earnings transferred to earned surplus	$ 4.07	$ 5.14	$ 5.26	$ 4.03	$ 3.68	$ 4.05	$ 2.25	$ 2.12	$ 2.08	$ 1.95
Dividends	2.90	2.80	2.20	1.80	1.80	1.65	1.40	1.10	1.00	.80
Taxes	7.71	6.44	5.08	3.79	3.50	4.26	5.54	6.50	5.77	4.07
OTHER STATISTICS:										
Number of—										
Common Stockholders	63,797	64,420	66,764	67,656	67,256	67,308	67,347	66,636	66,889	68,798
Employees	43,399	43,060	43,615	44,702	44,785	41,799	37,933	36,698	36,281	38,126

NOTE: **Transferred to earned surplus in 1949.*

NATIONAL DAIRY PRODUCTS CORPORATION

BOARD OF DIRECTORS

Directors whose names are marked with an asterisk are associated with organizations that are not subsidiaries of National Dairy.

EDGAR N. BRAWNER, *President*
CHESTNUT FARMS-CHEVY CHASE DAIRY COMPANY
Washington, D. C.

*HENRY W. BREYER, JR.
President, BREYER CORPORATION; Investments
Philadelphia

JAMES BRUCE
New York

*PAUL C. CABOT
President, STATE STREET INVESTMENT CORPORATION
Boston

ROBERT S. GORDON, *Vice-President & General Counsel*
NATIONAL DAIRY PRODUCTS CORPORATION

VERNON F. HOVEY, *President*
GENERAL ICE CREAM CORPORATION, Schenectady
Vice-President
NATIONAL DAIRY PRODUCTS CORPORATION

JOHN H. KRAFT, *Chairman of the Board*
KRAFT FOODS COMPANY, Chicago
Vice-President
NATIONAL DAIRY PRODUCTS CORPORATION

ELMER J. MATHER, *Vice-President*
NATIONAL DAIRY PRODUCTS CORPORATION
Chairman of the Board
SOUTHERN DAIRIES, INC., Washington, D. C.

THOS. H. MCINNERNEY, *Chairman of the Board*
NATIONAL DAIRY PRODUCTS CORPORATION

P. P. MILLER, *Vice-President*
NATIONAL DAIRY PRODUCTS CORPORATION

G. C. POUND, *President*
KRAFT FOODS COMPANY
Chicago

*W. S. S. RODGERS
Chairman of the Board, THE TEXAS COMPANY
New York

GEO. H. RUTHERFORD, *Vice-President*
NATIONAL DAIRY PRODUCTS CORPORATION

CLYDE H. SHAFFER, *President*
BREYER ICE CREAM COMPANY
Philadelphia

E. E. STEWART, *Executive Vice-President & Chairman of the Operating Committee*
NATIONAL DAIRY PRODUCTS CORPORATION

L. A. VAN BOMEL, *President & Chairman of the Executive Committee*
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*SIDNEY J. WEINBERG
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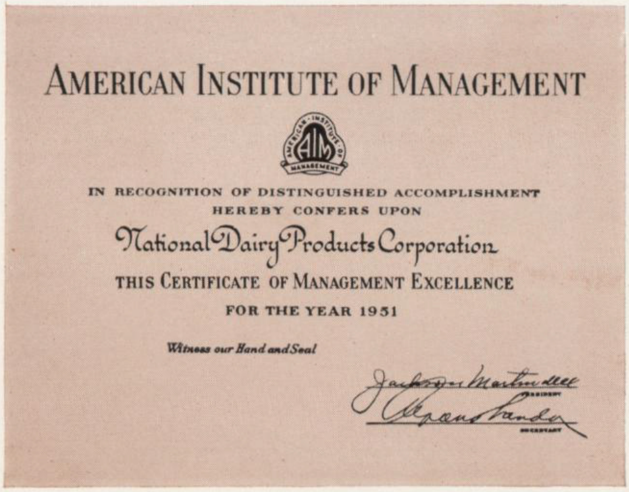
New York

RAYMOND J. WISE, *Vice-President*
NATIONAL DAIRY PRODUCTS CORPORATION



AMERICAN INSTITUTE OF MANAGEMENT

IN RECOGNITION OF DISTINGUISHED ACCOMPLISHMENT
HEREBY CONFERS UPON
National Dairy Products Corporation
THIS CERTIFICATE OF MANAGEMENT EXCELLENCE
FOR THE YEAR 1951

Witness our Hand and Seal

Jackson Martindell
PRESIDENT
SECRETARY

NATIONAL DAIRY PRODUCTS CORPORATION

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Thos. H. McInnerney
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Executive Vice-President & Chairman, Operating Committee

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Robert S. Gordon
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Assistant to the President and
Director of Public & Stockholder Relations

Glenn Gundell
Director of Advertising & Sales Promotion

Dr. Lauren B. Hitchcock
Director of Research & Development

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Thos. H. McInnerney
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G. C. Pound
C. R. Roberts
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Clyde H. Shaffer
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J. Huber Wetenhall
Raymond J. Wise

Members of this committee are executives of National Dairy Products Corporation or subsidiary companies and are appointed by the Board of Directors.

Transfer Agent
Manufacturers Trust Company
New York, N. Y.

•

Sullivan & Cromwell, *Counsel*

Registrar
The Chase National Bank of the
City of New York, New York, N. Y.

•

Arthur Andersen & Co., *Auditors*

NATIONAL DAIRY PRODUCTS CORPORATION

230 PARK AVENUE • NEW YORK 17, N. Y.

PRINCIPAL DIVISIONS

AND FOUNDING DATES

1901 – Akron Pure Milk Co., Akron, O.

1895 – Belle Vernon Milk Co., Cleveland, O.
1883 – Breakstone Bros., Inc., New York, N. Y.
1866 – Breyer Ice Cream Co., Philadelphia, Pa.
1929 – Brookhaven Creamery Co., Inc., Brookhaven, Miss.

1892 – Castles Ice Cream Co., Garfield, N. J.
1896 – Chapman Dairy Co., Kansas City, Mo.
1885 – Chestnut Farms-Chevy Chase Dairy Co., Washington, D. C.
1917 – Clover Dairy Co., Wilmington, Del.
1870 – Clover Farm Dairy Co., Memphis, Tenn.
1927 – Cloverland Dairy Products Div., New Orleans, La.
1928 – Cloverleaf Creameries, Inc., Huntington, Ind.
1925 – Consolidated Dairy Products Co., Inc., Long Island City, N. Y.
1915 – Consolidated Products Co., Danville, Ill.
1904 – Consumers Dairy Co., Union City, N. J.

1847 – Deerfoot Farms Co., Southboro, Mass.
1900 – Detroit Creamery Co., Detroit, Mich.
1927 – Dodds Alderney Dairy, Inc., Buffalo, N. Y.

1907 – Ebling Creamery Co., Detroit, Mich.
1900 – Erie County Milk Association, Erie, Pa.
1885 – Ewing-Von Allmen Dairy Co., Louisville, Ky.

1899 – Franklin Ice Cream Co., Kansas City, Mo.
1907 – Frechtling Dairy Co., Cincinnati, O.

1925 – General Ice Cream Corp., Schenectady, N. Y.

1900 – Harding Co., Omaha, Neb.
1918 – Hiland Dairy Co., Newport, Ky.
1914 – Hydrox Corp., Chicago, Ill.
1925 – Hydrox Ice Cream Co., Inc., Long Island City, N. Y.

1930 – Kentucky Dairies, Inc., Louisville, Ky.
1903 – Kraft Foods Co., Chicago, Ill.
  N. V. Kaashandel Betz & Jay, Rotterdam, Holland
  Kraft Dairies Limited, Hayes, England
  Kraft Foods Co. of Wisconsin, Green Bay, Wis.
  Kraft Foods Limited, Hayes, England
  Kraft Foods Limited, Melbourne, Australia
  Kraft Foods Limited, Montreal, Quebec, Canada
  Kraft Kase-Werke, G.m.b.H., Lindenberg, Bavaria, Germany
  Phenix Pabst-ett Co., Chicago, Ill.

1906 – Luick Dairy Co., Milwaukee, Wis.
1897 – Luick Ice Cream Co., Milwaukee, Wis.

1941 – Marvadel Ice Cream Co., Inc., Salisbury, Md.
1913 – Matthews-Frechtling Dairy Co., Cincinnati, O.
1906 – Merchants Cold Storage Co., Cincinnati, O.
1889 – Muller Dairies, Inc., New York, N. Y.

1913 – Nashville Pure Milk Co., Nashville, Tenn.
1921 – National Creamery Co., Somerville, Mass.
1927 – National Dairy Products Co., Inc., Chicago, Ill.
1934 – National Dairy Products Corp. of Canada, Limited, Toronto, Canada
1929 – National Dairy Research Laboratories, Inc., Oakdale, N. Y.

1919 – Ohio Clover Leaf Dairy Co., Toledo, O.
1920 – Ovson Egg Co., Chicago, Ill.

1872 – Rieck-McJunkin Dairy Co., Pittsburgh, Pa.
1876 – J. D. Roszell Co., Peoria, Ill.

1868 – St. Louis Dairy Co., St. Louis, Mo.
1901 – Sanitary Milk Co., Canton, O.
1841 – Sheffield Farms Co., Inc., New York, N. Y.
1901 – Southern Dairies, Inc., Washington, D. C.
1910 – Sugar Creek Creamery Co., Danville, Ill.
1804 – Supplee-Wills-Jones Milk Co., Philadelphia, Pa.

1895 – Telling Ice Cream Co., Cleveland, O.

1890 – Union Ice Cream Co., Nashville, Tenn.

1871 – Western Maryland Dairy, Inc., Baltimore, Md.

1914 – Youngstown Sanitary Milk Co., Youngstown, O.

Printed in U.S.A.

Sealtest Ice Cream
VANILLA
CHOCOLATE
STRAWBERRY
MAPLENUT
NEAPOLITAN
FUDGE ROYALE

KRAFT sharp cheese NATURAL CHEDDAR
Kay BRAND NATURAL MILD CHEESE AMERICAN CHEDDAR Made from pasteurized milk

Breakstone's PASTEURIZED SOUR CREAM HOMOGENIZED

KRAFT DINNER
FOR Delicious MACARONI-AND-CHEESE
ONLY 7 minutes COOKING TIME REQUIRED

Sealtest PASTEURIZED CULTURED BUTTERMILK

KRAFT PASTEURIZED PROCESS WHITE AMERICAN CHEESE
KRAFT PASTEURIZED PROCESS AMERICAN CHEESE
VELVEETA PASTEURIZED PROCESS CHEESE FOOD
VELVEETA A KRAFT PRODUCT
Old English PASTEURIZED
KRAFT PIMENTO PASTEURIZED PROCESS CHEESE

KRAFT MALTED MILK
KRAFT
KRAFT Dair-Fresh CARAMELS
KRAFT CARAMELS

Miracle FRENCH DRESSING CREATED BY KRAFT
KRAFT Kitchen Fresh French Dressing

SHEFFIELD SODIUM CASEINATE POWDER

NORWICH, NEW YORK SHEFFIELD CALCIUM LACTATE U.S.P.
NORWICH, NEW YORK SHEFFIELD LACTOSE, U.S.P. MILK SUGAR, U.S.P.

Imperial SHARP Cheese KRAFT
MacLAREN'S Imperial Cheese KRAFT

JAY BRAND BABY GOUDA CHEESE

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NATIONAL DAIRY
Sealtest
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